STATE ACTIONS Governor's Office of Planning and Budge Resource Development Coordinating Committee P.O. Box 145610

1594 W. North Temple, Suite 3710 SLC, UT 84114-5610 538-5535

 $0\ 0\ 5$

1. Administering State Agency	2. Approximate date project will start:
Oil, Gas and Mining	
1594 West North Temple, Suite 1210	Upon Approval or 07/01/2003
Salt Lake City, UT 84114-5801	
3. Areawide clearinghouse(s) receiving state action: (to be	e sent out by agency in block 1)
Southeastern Utah Association of Governments	
4. Type of action: //Lease /X/Permit //License	/ / Land Acquisition
//Land Sale //Land Exchange //Other	•
5. Title of proposed action:	
Application for Permit to Drill	
6. Description:	The state of the s
I. W. On creating Commons, managed to drill the Soldier Car	sal- Cree 40 22 11 (11 4) Fra 1 MI 40121 Code
	bek State #9-32 well (wildcat) on Fee lease ML-48131, Carbon C for consideration of resource issues affecting state interests.
	nistrative agency in this action and must issue approval before
operations commence.	institutive agency in this action and must issue approval before
7. Land affected (site location map required) (indicate cou	inty) - include UTM coordinates where possible
SE/4, NE/4, Section 32, Township 12 South, Range 12 I	Fact Carbon County Utah
Section 32, Township 12 South, Range 12 1	East, Caroon County, Otan
	posed action affects lands within the Jordan River Natural
Areas Corridor.	
9. Has the local government(s) been contacted? No	
If yes,	
a. How was contact made?	
b. Who was contacted?	
c. What was the response?	1 1 10
d. If no response, how is the local government(s) likely to	be impacted?
10. Possible significant impacts likely to occur:	
Degree of impact is based on the discovery of oil or gas i	n commercial quantities.
11. Name and phone of district representative from your a N/A	agency near project site, if applicable:
12. For further information, contact:	13. Signature and title of authorized officer
, i	
	/ / K. Dan
7	
Diana Mason Phone: (801) 538-5312	John R. Baza, Associate Director Date: May 21, 2003
TEHORE: 10011.23052314	TOMBELL INIAN CT. 2007)



May 27, 2003

Mrs. Diana Mason State of Utah Division of Oil Gas and Mining P.O. Box 145801 Salt Lake City, Utah 84114-5801

RE: Application for Permit to Drill—Soldier Creek State #9-32, Carbon County, Utah 1,413' FNL, 795' FEL, SE/4 NE/4, Section 32, T12S, R12E, SLB&M.

Dear Mrs. Mason:

On behalf of J-W Operating Company, Talon Resources, Inc. respectfully submits the enclosed original of the *Application for Permit to Drill* (APD), for the above referenced well. A request for exception to spacing (R649-3-3 General State Spacing) is hereby requested based on topography since the well is located within 460' of the drilling unit boundary. J-W Operating company is the only offset drilling unit owner within the NE/4, Section 32, T12S, R12E, SLB&M. Included with the APD is the following supplemental information:

Exhibit "A" - Survey plats and layouts of the proposed well site;

Exhibit "B" - Proposed location maps with road corridors;

Exhibit "C" - Drilling site layout;

Exhibit "D" - Drilling Program;

Exhibit "E" - Multi Point Surface Use Plan;

Exhibit "F" - Typical road cross-section;

Exhibit "G" - Typical BOP diagram;

Exhibit "H" - Typical wellhead manifold diagram.

RECEIVED

MAY 2 9 2003

DIV. OF OIL, GAS & MINING

ORIGINAL

CONFIDENTIAL

P.O. # 1230 OPERCE (435) 687-5310 195 N. 100 West

Huntington, Utah 84528

FAX (435) 687-5311 FAMAIL talon@etv.net

Please accept this letter as J-W Operating Company's written request for confidential treatment of all information contained in and pertaining to this application, if said information is eligible for such consideration.

Thank you very much for your timely consideration of this application. Please feel free to contact myself, or Mr. Robert Eller with J-W Operating Company at 970/332-3151 if you have any questions or need additional information.

Sincerely,

Don Hamilton

Don Hamilton

Agent for J-W Operating Company

cc: Mr. Mark Jones, Division of Oil, Gas and Mining

Mr. Robert Eller, J-W Operating Company

Mrs. Ginny Burchard, J-W Operating Company

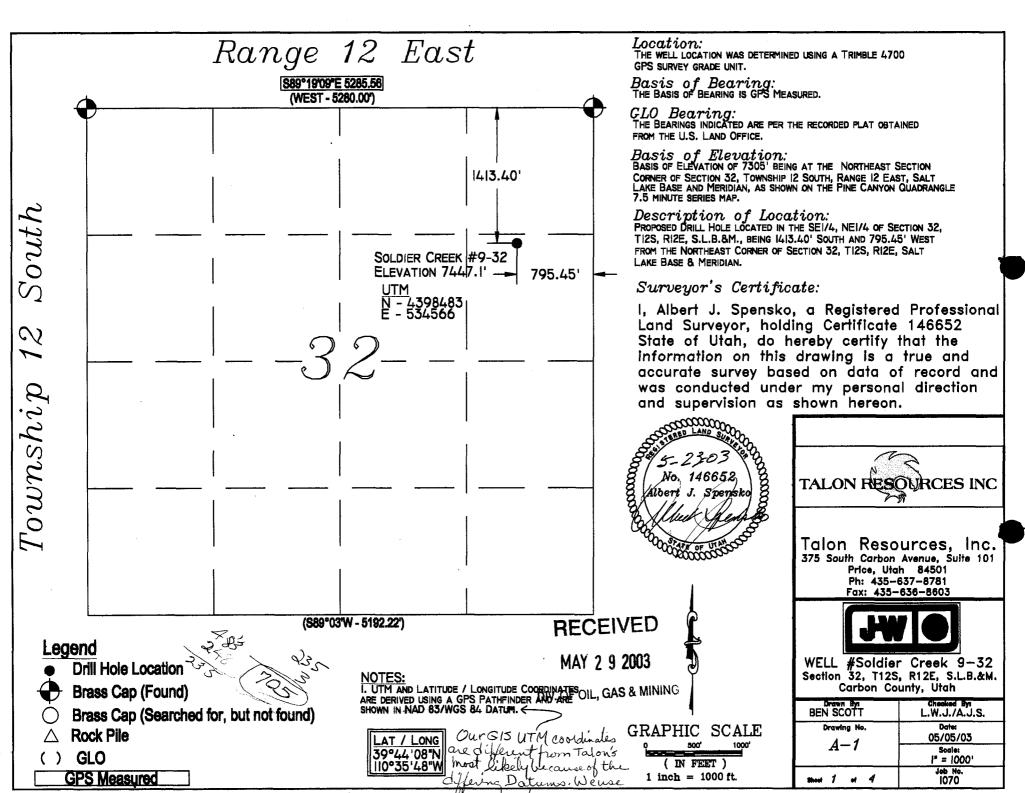
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STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS AND MINING

CES	
JING	

AMENDED REPORT	
(highlight changes)	

A DDL IOA TION COD DEDMIT TO DDU I					5. MINERAL LEASE NO: ML-48131	6. SURFACE: Fee		
1A. TYPE OF WORK: DRILL ☑ REENTER ☐ DEEPEN ☐				7. IF INDIAN, ALLOTTEE OF N/A	7. IF INDIAN, ALLOTTEE OR TRIBE NAME:			
B. TYPE OF WELL: OIL GAS OTHER SINGLE ZONE MULTIPLE ZONE					8. UNIT OF CA AGREEMENT	8. UNIT or CA AGREEMENT NAME:		
2. NAME OF OPE	RATOR:						9. WELL NAME and NUMBE	R:
J-W Operat	<u> </u>	any					SoldierCreek, St	
3. ADDRESS OF P.O. Box 30		_{CITY} Wra	y sta	ATE CO 719 80	758 (970) 33		10. FIELD AND POOL, OR V	WILDCAT:
4. LOCATION OF	WELL (FOOTAG		4398248	CO ZIP 80'	-21		11. QTR/QTR, SECTION, TO MERIDIAN:	OWNSHIP, RANGE,
AT SURFACE:	1,413' FN	L, 795' FEL	534601				SENE 32 12	. 12 S
			FNL, 795' FE	- 110. 59	671	•	OLIVE 32 12	. 12 0
14. DISTANCE IN	MILES AND DIR	ECTION FROM N	EAREST TOWN OR PO	OST OFFICE:	· · · · · · ·		12. COUNTY:	13. STATE:
15.9 mile	s northeas	t of Welling	ton, Utah				Carbon	UTAH
	NEAREST PRO	PERTY OR LEAS	E LINE (FEET)	16, NUMBER O	ACRES IN LEASE:		17. NUMBER OF ACRES ASSIGNE	
526'	NEADERT ME	L (DRILLING, CO	MDI ETED, OR	19. PROPOSED	DEDTH:	600	20. BOND DESCRIPTION:	40
APPLIED FOR	R) ON THIS LEAS		MPLETED, OR	19. PROPOSED	DEPIN.	2,800		LB 0004156
2,650'	(SHOW WHETH	ER DF, RT, GR, E	TC.):	22, APPROXIM	ATE DATE WORK WILL START		23. ESTIMATED DURATION:	LD 0004130
7,447' GR	•			7/1/2003			3 months	•
24.			PROPOS	SED CASING A	ND CEMENTING PRO	OGRAM		
SIZE OF HOLE	CASING SIZE	GRADE AND W	EIGHT PER FOOT	SETTING DEPTH			ITITY, YIELD, AND SLURRY WEIGH	iT
12-1/4"	8-5/8"	K-55 ST	24#		Class G		275 sacks 1,16 cu.ft/s	
7-7/8"	5-1/2"	N-80 LT	17#		10-1 RFC Class G	· 1	1.62 cu.ft/s	
					1		no sks	
					1235700			
				1.000				
				<u></u>				
25.				ATTA	CHMENTS			
VERIFY THE FOL	LOWING ARE A	TTACHED IN ACC	ORDANCE WITH THE	UTAH OIL AND GAS C	ONSERVATION GENERAL RU	LES:		es para a d
WELL PL	AT OR MAP PRE	PARED BY LICEN	ISED SURVEYOR OR	ENGINEER	COMPLETE DRIL	LING PLAN	CONFIDI	INHAL
_							SON OD COMPANY STUED THAN	THE LEADE OWNED
EVIDENC	E OF DIVISION	OF WATER RIGHT	TS APPROVAL FOR U	SE OF WATER	FORM 5, IF OPE	KATOR IS PER	SON OR COMPANY OTHER THAN	THE LEASE OWNER
NAME (PLEASE	_{PRINT)} Don !	Hamilton			_{тітье} Agent	for J-W C	Operating Company	····
SIGNATURE	Don	Ha	milton		DATE 5/27/2	2003		
(This space for Sta	te use only)	<u></u>						<u></u>
					pproved by the			
•		10	annal		Itah Division o	f R	ECEIVED	
API NUMBER AS	SIGNED:	3-007-	<u> 204 24</u>	OII	, Gas and Mini	ng		
			•	Date: A	78-04-9B	> M	1AY 2 9 2003	
(11/2001)				See Instruction	ons on Reverse Side	DIV. OF	FOIL. GAS & MINING	



NAD 27, not NAD 83.

EXHIBIT "A"

ATTACHED TO AND MADE A PART OF LETTER DATED MARCH 25, 2002 BY AND BETWEEN J-W OPERATING COMPANY AND THE IRIART FAMILY LIMITED PARTNERSHIP

SURFACE USE AGREEMENT

The undersigned, J-W Operating Company, as Operator, and Iriart Family Limited Partnership, as Landowner(s), hereby agree to the following terms and conditions as surface damages for the drilling, completion and production of a well or wells to be drilled on the following described acreage:

Township 12 South, Range 11 East

Section 14: S/2SE Section 23: NENE

Section 24: NWNW, NENE S/2N/2, N/2SW, NESE, S/2SE

Section 25: NWNE

Township 12 South, Range 12 East

Section 27: S/2SE

Section 28: S/2NW, SW, NWSE, S/2SE

Section 29: NE, N/2SE, SWSE, S/2NW, NESW

Section 30: NENW, NWNE, S/2NE, NESE, SWSE, SESW

Section 31: NENE, Lots 1, 2, 3, E/2SW, NENW

Section 32: NWNE Section 33: NENE

Section 34: N/2, N/2SE

Section 35: W/2NW, NWSW

Carbon County, Utah

- Operator agrees to pay the Landowner(s), after the commencement of drilling operations, 1) \$800.00 per well location as surface damages for the roadway, drillsite, and slush pits needed for the drilling completion and production of a well or wells located on the acreage as described above. Operator agrees, upon completion of any test as a dry hole, or upon the abandonment of any producing well, to restore all lands utilized for such exploration as nearly as reasonably practical to their former condition.
- 2) It is agreed by and between the parties that they shall consult with each other regarding the location of routes for ingress and egress for drilling operations.
- Operator agrees to pay the Landowner(s) \$10.00 per rod for right-of-way access for 3) pipelines and/or a gathering system to the well or wells located on the acreage as described above.

This Agreement shall be binding upon the heirs, legal representatives, and assigns of the respective

IN WITNESS WHEREOF, the parties have set their hands and seal this 2001

OPERATOR:

J- W OPERATING COMPANY

LANDOWNER

IRIART FAMILY PARTNERSHIP

State of Colorado))ss County of Jefferson)	46	
This instrument was acknowledged before me on this the	May of Gune	2001, b
Witness my hand and seal		
Notary Public Canal	TERESA J. COWE NOTARY PUBLIC, STATE OF CO	
My Commission Expires: 1-15-2002		
State of Utah))ss County of Carbon) This instrument was acknowledged before me on this the Louise L. Iriart, as General Partner for the Iriart Family Partner	6th day of July	4, 2001, by
Louise L. Iriart, as General Partner for the Iriart Family Partner	ership.	
Notary Public		
My Commission Expires: June 27 2004	# # # # # # # # # # # # # # # # # # #	

(8)

MOTARY PUBLIC DONNA WHITE 879 N 900 S Price, UT 84501 My Commission Expires June 27, 2004 STATE OF UTAH



DRILLING PROGRAM

Exhibit "D"

Attached to UDOGM Form 3
J-W Operating Company
Soldier Creek State #9-32
SE/4 NE/4, Sec. 32, T12S, R12E, SLB&M
1,413' FNL, 795' FEL
Carbon County, Utah

1. The Geologic Surface Formation

Tertiary Colton Formation

2. Estimated Tops of Important Geologic Markers

Castlegate	1,840'
Blackhawk	2,130'
Sunnyside	2,320'
Gilson	2,550°
Kenilworth	2,600°

3. Projected Gas & H2O zones (Blackhawk Formation)

Castlegate sandstone	1,840' – 2,130'
Blackhawk coals and sandstones	2,130' - 2,320'
Gilson coals and sandstones	2.550' - 2,600'

No groundwater is expected to be encountered.

Casing & cement will be utilized to protect potentially productive hydrocarbons, lost circulation zones, abnormal pressure zones, and prospectively valuable mineral deposits. All indications of usable water will be reported.

Surface casing will be tested to 500 psi.

4. The Proposed Casing and Cementing Programs

HOLE	SETTING DEPTH	SIZE	WEIGHT,GRADE	CONDITION
SIZE	(INTERVAL)	(OD)	& JOINT	
12–1/4"	350'	8-5/8"	24# K-55 ST&C	New
7-7/8"	2,800'	5-1/2"	17# N-80 LT&C	New

Cement Program - Every attempt will be made to bring cement back to surface.

Surface Casing:

275 sacks G + 2 % CaCl₂ + 0.25 pps cellophane flakes;

Weight: 15.8 #/gal Yield: 1.16 cu.ft/sk

270

Production Casing:

150 sacks 10:1 RFC Class G cement + 0.25 pps cellophane flakes;

Weight: 14.2 #/gal,

Yield: 1.62 cu.ft/sk yield.

The following shall be entered in the driller's log:

1) Blowout preventer pressure tests, including test pressures and results;

- 2) Blowout preventer tests for proper functioning;
- 3) Blowout prevention drills conducted;
- 4) Casing run, including size, grade, weight, and depth set;
- 5) How the pipe was cemented, including amount of cement, type, whether cement circulated, location of the cementing tools, etc.;
- 6) Waiting on cement time for each casing string;
- 7) Casing pressure tests after cementing, including test pressures and results.

5. The Operator's Minimum Specifications for Pressure Control

Exhibit "G" is a schematic diagram of the blowout preventer equipment. A double gate 2000 psi BOP will be used. This equipment will be tested to 1000 psi. All tests will be recorded in a Driller's Report Book. Physical operation of BOP's will be checked on each trip.

6. The Type and Characteristics of the Proposed Circulating Muds

0-350 12-1/4" hole Drill with water and gradually move to a light base mud.

350-TD 7-7/8" hole Drill with water and gradually move to a light base mud.

7. The Testing, Logging and Coring Programs are as followed

350-TD gamma ray, sp, array induction, compensated neutron lithodensity with caliper.

Any Anticipated Abnormal Pressures or Temperatures

No abnormal pressures or temperatures have been noted or reported in wells drilled in the area nor at the depths anticipated in this well. Bottom hole pressure expected to be under 2000 psi. No hydrogen sulfide or other hazardous gases or fluids have been found, reported or are known to exist at these depths in the area.

8. Anticipated Starting Date and Duration of the Operations.

The well will be drilled approx.: July 2003.

Verbal and/or written notifications listed below shall be submitted in accordance with instructions from the Division of Oil, Gas & Mining:

- (a) prior to beginning construction;
- (b) prior to spudding;
- (c) prior to running any casing or BOP tests;
- (d) prior to plugging the well, for verbal plugging instructions.

Spills, blowouts, fires, leaks, accidents or other unusual occurrences shall be reported to the Division of Oil, Gas & Mining immediately.



MULTIPOINT SURFACE USE PLAN

Exhibit "E"

Attached to UDOGM Form 3 J-W Operating Company Soldier Creek State #9-32 SE/4 NE/4, Sec. 32, T12S, R12E, SLB&M 1,413' FNL, 795' FEL Carbon County, Utah

1. Existing Roads

- a. The proposed access road will encroach the Nine Mile Canyon Road in which approval to maintain the existing encroachment is presently in place from the Carbon County Road Department (see Exhibit "B").
- b. We do not plan to change, alter or improve upon any other existing state or county roads. Existing roads will be maintained in the same or better condition.

2. Planned Access

- a. Approximately 0.15 miles of new access will be constructed. (see Exhibit "B").
- b. Maximum Width: 20' travel surface with a 24' base.
- c. Maximum grade: 13 %.
- c. Turnouts: None.
- d. Drainage design: Approximately 1-18" culvert is anticipated at this time. Water will be diverted away from the planned access as necessary and practical.
- e. If the well is productive, the road will be surfaced and maintained as necessary to prevent soil erosion and accommodate year-round traffic.

3. Location of Existing Wells

a. There are five proposed wells and six existing wells within a one mile radius of the proposed well site (see Exhibit "B").

4. Location of Existing and/or Proposed Facilities

- a. If the well is a producer, additional wells will be drilled and installation of production facilities will follow.
- b. Gathering lines, when installed, will follow the access road northeast across fee surface and tie into the existing infrastructure near the Soldier Creek State, #6-32 (see Exhibit "B").
- c. Rehabilitation of all pad areas not used for production facilities will be made in accordance with landowner stipulations.

5. Location and Type of Water Supply

- a. Water to be used for drilling will be obtained from a local water source (probably Price River Water Improvement District, a local source of municipal water).
- b. Water will be transported by truck over approved access roads.
- c. No water well is to be drilled for this location.

6. Source of Construction Materials

- a. All necessary construction materials needed will be obtained locally and hauled to the location on existing roads.
- b. No construction or surfacing materials will be taken from Federal/Indian land.

7. Methods for handling waste disposal

- a. Since the well will be mud drilled, a reserve pit will be constructed with a minimum of one-half the total depth below the original ground surface on the lowest point within the pit. The pit will not be lined unless conditions encountered during construction warrant it or if deemed necessary by the DOGM representative during the pre-site inspection. Three sides of the reserve pit will be fenced within 24 hours after completion of construction and the fourth side within 24 hours after drilling operation cease with four strands of barbed wire, or woven wire topped with barbed wire to a height of not less than four feet. The fence will be kept in good repair while the pit is drying.
- b. Following drilling, the liquid waste will be evaporated from the pit and the pit backfilled and returned to natural grade. No liquid hydrocarbons will be discharged to the reserve pit or pad location
- c. In the event fluids are produced, any oil will be retained in tankage until sold and any water produced will be retained until its quality can be determined. The quality and quantity of the water will determine the method of disposal.
- d. Trash will be contained in a portable metal container and will be hauled from location periodically and disposed of at an approved disposal site. Chemical toilets will be placed on location and sewage will be disposed of at an appropriate disposal site.

8. Ancillary Facilities

a. We anticipate no need for ancillary facilities with the exception of camp trailers to be located on the drill site.

9. Wellsite Layout

- a. Available topsoil will be removed from the location and stockpiled. The location of mud tanks, reserve pits, and soil stockpiles will be located as shown on Exhibit "C".
- a. Access to the well pad will be as shown on Exhibit "B".
- d. Natural runoff will be diverted around the well pad.

10. Plans for Restoration of Surface

- a. All surface areas not required for producing operations will be graded to as near original condition as possible and recontoured to minimize possible erosion.
- b. Available topsoil will be stockpiled and will be evenly distributed over the disturbed areas and the area will be reseeded as prescribed by the landowner.
- c. Pits and any other area that would present a hazard to wildlife or livestock will be fenced off when the rig is released and removed.
- d. Any oil accumulation on the pit will be removed or overhead flagged as dictated by the existing conditions.
- e. Rehabilitation will commence following completion of the well. Rat and mouse holes will be filled immediately upon release of the drilling rig from the location. If the wellsite is to be abandoned, all disturbed areas will be recontoured.

11. Surface Ownership

a. The wellsite will be constructed on lands owned by the Iriart Family Partnership, LTD; 503 East 100 North, Price, Utah 84501. Bernie Iriart is the surface representative and can be reached at (435) 637-6610. Surface use is presently in place with Iriart and will be submitted under separate cover to the Division of Oil, Gas and Mining. The operator shall contact the landowner and the Division of Oil, Gas and Mining 48 hours prior to beginning construction activities.

12. Other Information:

- a. The primary surface use is wildlife habitat and grazing. The nearest dwelling is the Iverson cabin approximately 1.65 miles northwest. Nearest live water is Soldier Creek approximately 1,000' southeast.
- b. If there is snow on the ground when construction begins, it will be removed before the soil is disturbed, and piled downhill from the topsoil stockpile location.
- c. The backslope and foreslope will be constructed no steeper than 4:1.
- d. All equipment and vehicles will be confined to the access road and well pad.
- e. A complete copy of the approved Application for Permit to Drill (APD) including conditions and stipulations, shall be at the well site during construction and drilling operations.

f. There will be no deviation from the proposed construction, drilling, and/or workover program without prior approval from the Division of Oil, Gas & Mining.

13. Company Representatives

Robert Eller – Production Engineer J-W Operating Company P.O. Box 305 Wray, Colorado 80758

(970) 332-3151 office (970) 597-0019 mobile (970) 332-5821 fax

Mail Approved A.P.D. To:

Company Representative

Excavation Contractor

Shane Campbell – owner/operator Scamp Excavation 1555 West 750 South Wellington, Utah 84542

(435) 636-8101 office (435) 650-9876 mobile

14. Certification

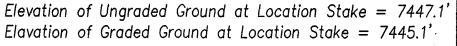
I hereby certify that I, or persons under my direct supervision have inspected the proposed drillsite and access route; that I am familiar with the conditions which presently exist; that the statements made in this plan are, to the best of my knowledge, true and correct, and that the work associated with the operations proposed herein will be performed by J-W Operating Company and its subcontractors in conformity with this plan and the terms and conditions under which it is approved.

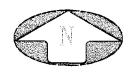
5-27-03

Date

Don Hamilton for J-W Operating Company

7445 96' .7450. 120' Well# JWO 9-32 Elev. 7447.1' Cut\2.0' 80 x44'x10' 80'







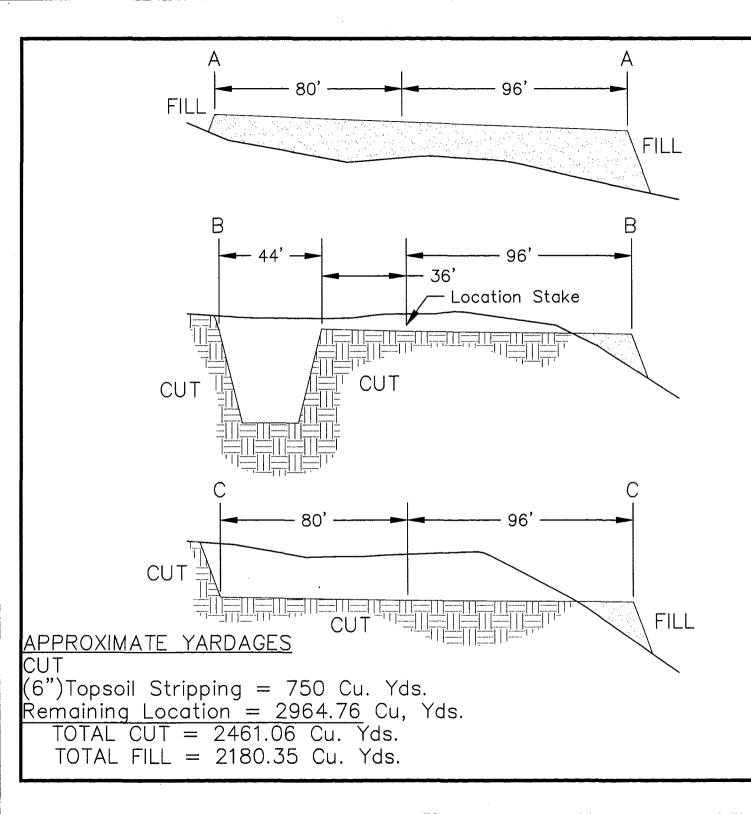
TALON RESOURCES, INC.

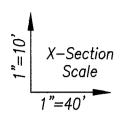
195 North 100 West P.O. Box 1230
Huntington, Utah 84528
Phone (485)687-5310 Fax (485)687-5311
E-Mail taloneetv.net



LOCATION LAYOUT
Section 32, T12S, R12E, S.L.B.&M.
WELL # 9-32

*** 7	. 5 52
BEN SCOTT	Checked By: L.W.J.
Drawing No.	Date: 05/20/03
A-2	Scale: 1" = 50'
Sheet 2 of 4	Job No. 1070





Slope = 1 1/2 : 1 (Except Pit) Pit Slope = 1 ; 1



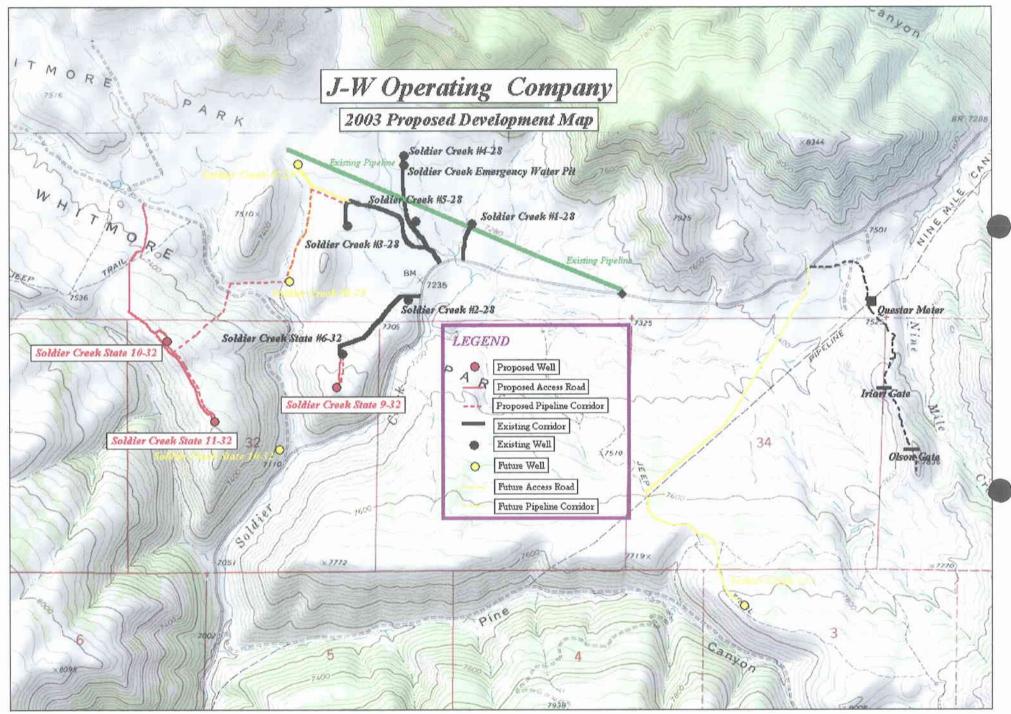
TALON RESOURCES, INC

195 North 100 West P.O. Box 1230 Huntington, Utah 84528 Phone (435)687-5310 Fax (435)687-5311 E-Mail taloneety.net

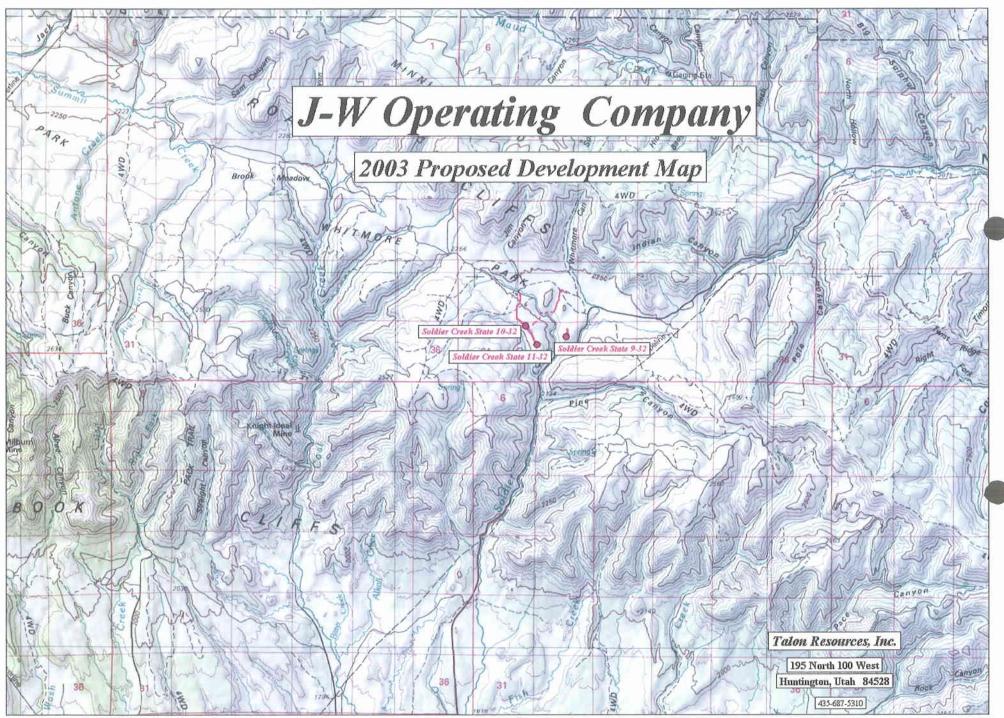


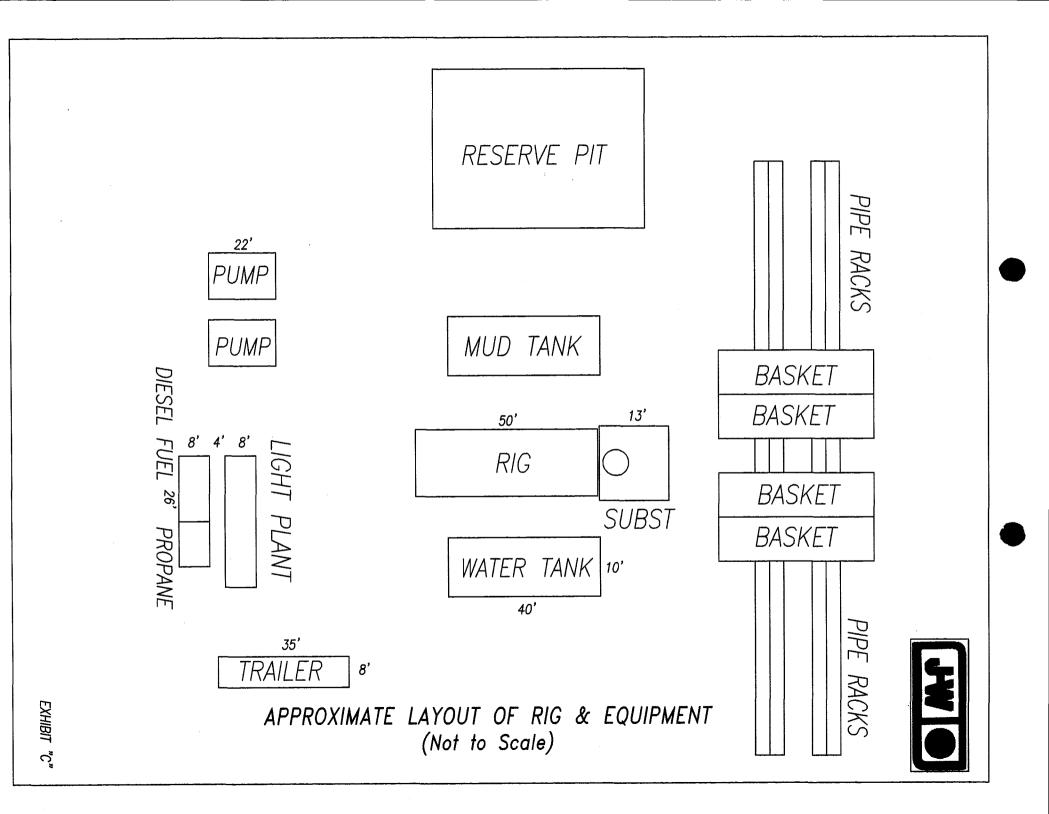
TYPICAL CROSS SECTION
Section 32, T12S, R12E, S.L.B.&M.
WELL #9-32

Drawn By: BEN SCOTT	Checked By: L.W.J.
Drawing No.	Date: 05/20/03
<i>C-1</i>	1" = 40'
Sheet 3 of 4	Job No. 1070

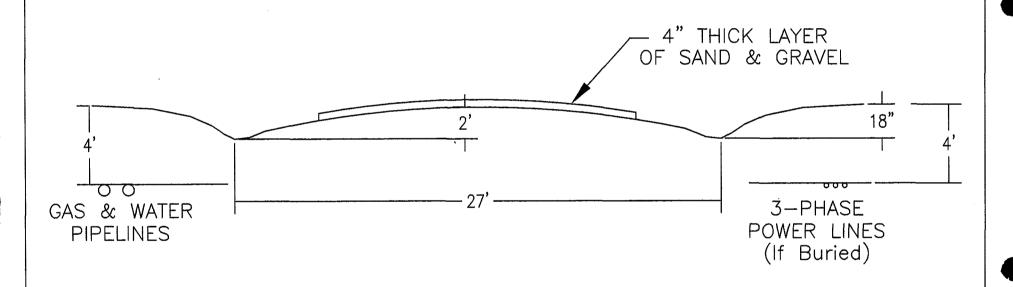


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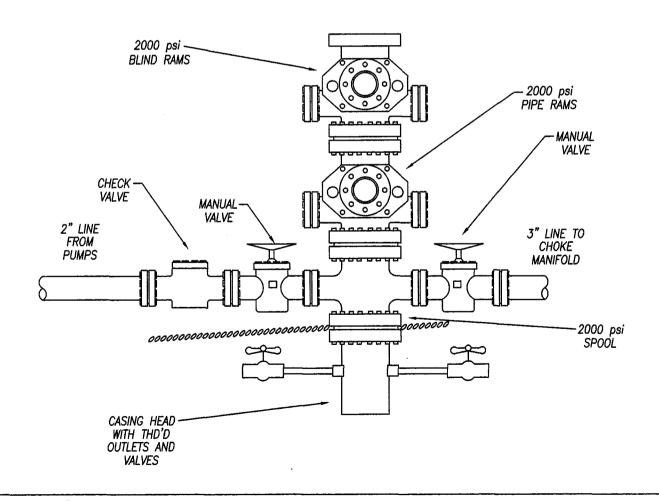




TYPICAL ROAD CROSS-SECTION

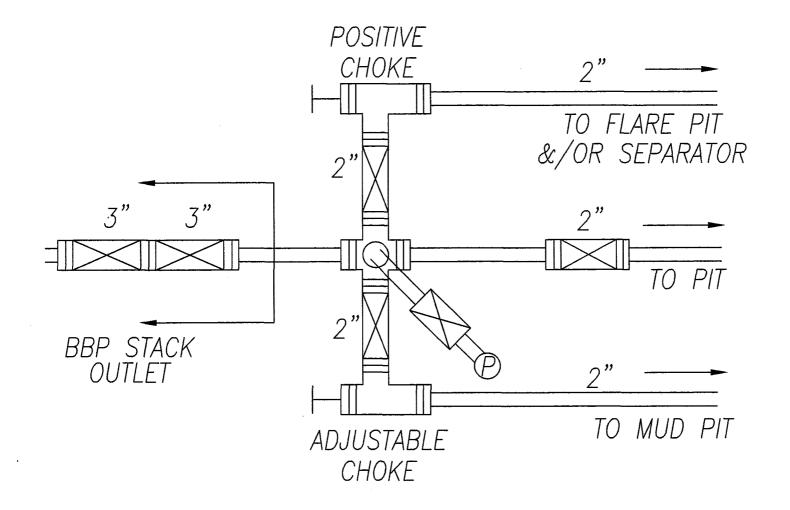








CHOKE MANIFOLD





STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS AND MINING

FORM 3

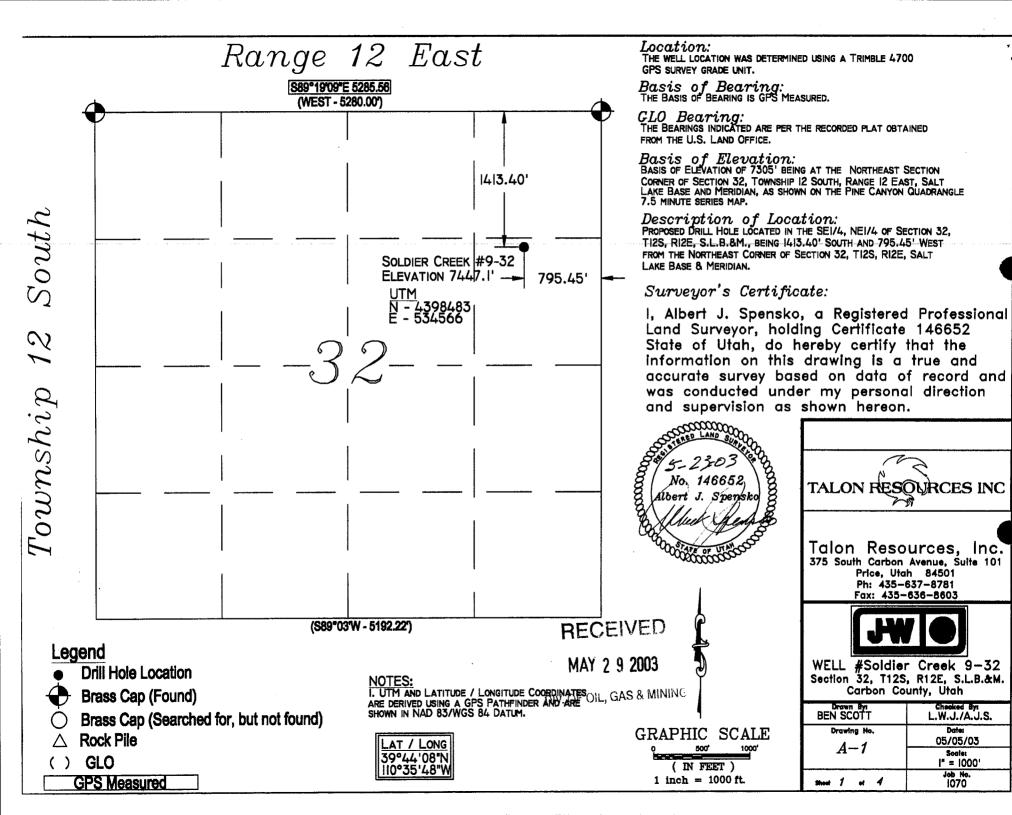
AMENDED REPORT (highlight changes)

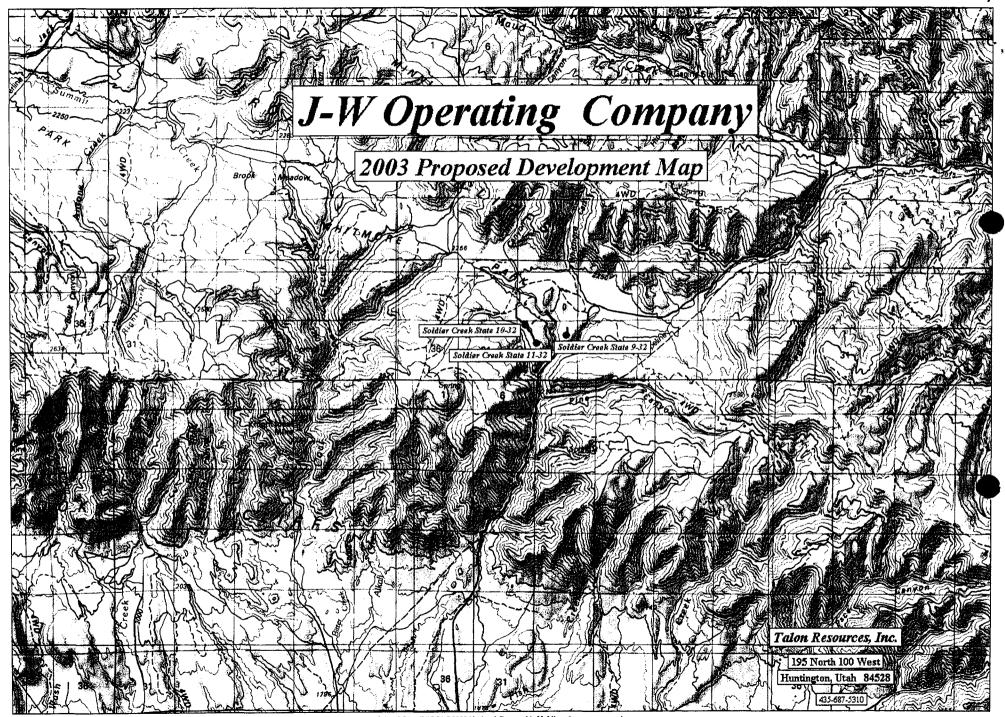
	AP	PLICATION FOR	R PERMIT TO	D DRILL		5. MINERAL LEASE NO: ML-48131	6. SURFACE: Fee
1A. TYPE OF WO	1A. TYPE OF WORK: DRILL REENTER DEEPEN D					7. IF INDIAN, ALLOTTEE OR	
B. TYPE OF WE	F WELL: OIL GAS OTHER SINGLE ZONE MULTIPLE ZONE					8. UNIT or CA AGREEMENT N	IAME:
2. NAME OF OPE	RATOR:					N/A 9. WELL NAME and NUMBER	
	ting Company					SoldierCreek, Sta	
3. ADDRESS OF	OPERATOR:			PHONE NUMBER:	***	10. FIELD AND POOL, OR WI	
P.O. Box 3	05 c	ITY Wray s	TATE CO ZIP 80	758 (970) 332-3151		Soldier Creek	
	WELL (FOOTAGES)	4398248	X 39.730	531		11. QTR/QTR, SECTION, TOW MERIDIAN:	VNSHIP, RANGE,
AT SURFACE:	1,413' FNL, 79	95' FEL 534601	× -110,59			SENE 32 12	12 S
AT PROPOSED	PRODUCING ZONE:	1,413' FNL, 795' FE	EL 710757	4 01			
14. DISTANCE IN	MILES AND DIRECTIO	N FROM NEAREST TOWN OR	POST OFFICE:			12. COUNTY:	13. STATE:
15.9 mile	s northeast of \	Wellington, Utah				Carbon	UTAH
15, DISTANCE TO	NEAREST PROPERTY	Y OR LEASE LINE (FEET)	16. NUMBER O	FACRES IN LEASE:	17. N	UMBER OF ACRES ASSIGNED	TO THIS WELL:
526'				600			40
18. DISTANCE TO APPLIED FOR) NEAREST WELL (DRI R) ON THIS LEASE (FEE	LLING, COMPLETED, OR ET)	19. PROPOSED	DEPTH:	20. B	OND DESCRIPTION:	
2,650'		•	_	2,800	BI	anket Fee Bond RL	B 0004156
	(SHOW WHETHER DF	, RT, GR, ETC.):	1	ATE DATE WORK WILL START:	i	STIMATED DURATION:	
7,447' GR			7/1/2003	3	3 r	nonths	
24.		PROPO	SED CASING A	ND CEMENTING PROGRAM			
SIZE OF HOLE	CASING SIZE, GRAD	DE, AND WEIGHT PER FOOT	SETTING DEPTH	CEMENT TYPE, QU	ANTITY,	YIELD, AND SLURRY WEIGHT	
12-1/4"	8-5/8" K-	-55 ST 24 #	350	Class G	275	sacks 1.16 cu.ft/sk	15.8 pp
7-7/8"	5-1/2" N	-80 LT 17#	2,800	10-1 RFC Class G	150	sacks 1.62 cu.ft/sk	14.2 pp
				<u> </u>			
							-
-					·		
		<u> </u>	<u>'</u>				<u></u>
25.			ATTA	CHMENTS			
VERIFY THE FOL	LOWING ARE ATTACH	ED IN ACCORDANCE WITH TH	E UTAH OIL AND GAS C	ONSERVATION GENERAL RULES:		an IFIDE	N POPE A E
WELL PL	AT OR MAD PREPARES) BY LICENSED SURVEYOR OF	PENGINEED	COMPLETE DRILLING PLAN		CONFIDE	NIIAL
EVIDENC	E OF DIVISION OF WA	TER RIGHTS APPROVAL FOR I	JSE OF WATER	FORM 5, IF OPERATOR IS PE	RSON C	OR COMPANY OTHER THAN TH	IE LEASE OWNER
NAME (PLEASE F	Don Hami	ilton		Agent for J-W	Oper	ating Company	
SIGNATURE	Don	Hamilton		DATE 5/27/2003			
(This space for Stat	e use only)	-					
				30			
API NUMBER ASS	SIGNED: 43-7	107-30924		APPROVAL:	TE(CEIVED	
					MAY	2 9 2003	

(11/2001)

(See Instructions on Reverse Side)

DIV. OF OIL, GAS & MINING

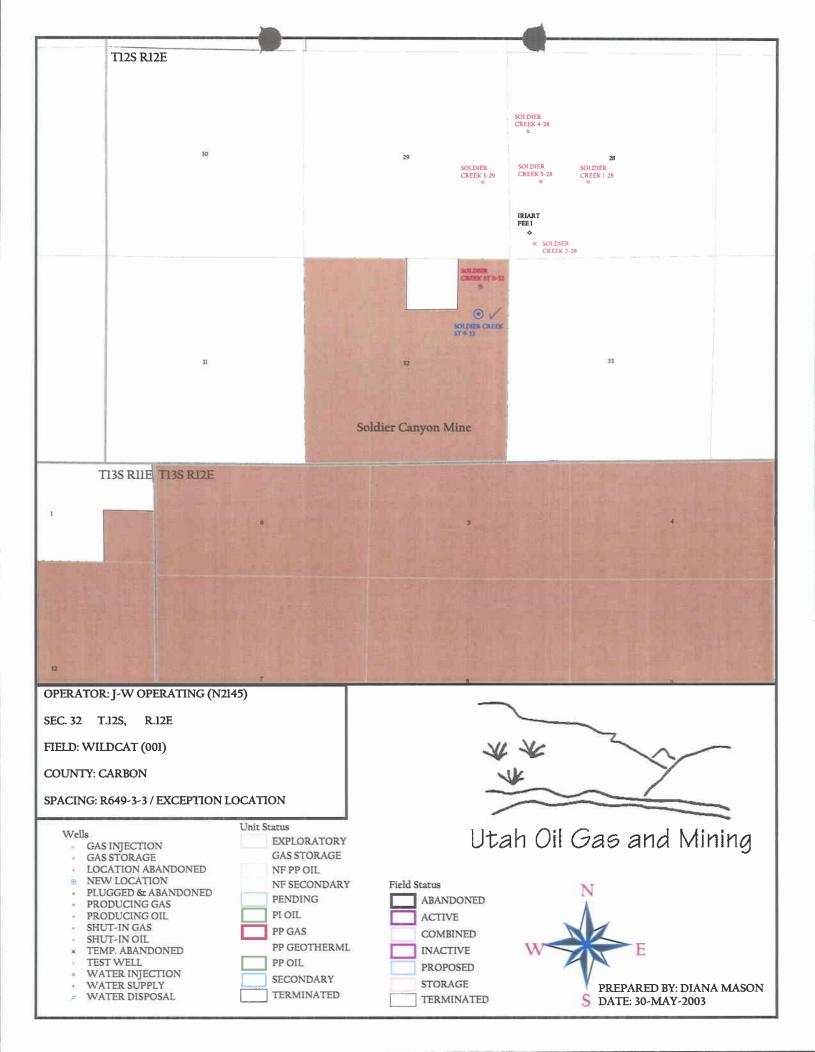




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				_	
1	WORK	SHEET			į
APPLICATION	FOR	PERMIT	TO	DRILL	

APD RECEIVED: 05/29/2003	API NO. ASSIGNED: 43-007-30924							
WELL NAME: SOLDIER CREEK ST 9-32 OPERATOR: J-W OPERATING COMPANY (N2145) CONTACT: DON HAMILTON	PHONE NUMBER: 4	35-687-5310	 					
PROPOSED LOCATION: SENE 32 120S 120E	INSPECT LOCATN BY: / /							
SENE 32 120S 120E SURFACE: 1413 FNL 0795 FEL	Tech Review	Initials	Date					
BOTTOM: 1413 FNL 0795 FEL CARBON	Engineering	DKD	7/31/03					
WILDCAT (1)	Geology							
LEASE TYPE: 3 - State	Surface							
LEASE NUMBER: ML-48131 SURFACE OWNER: 4 - Fee PROPOSED FORMATION: BLKHK	LATITUDE: 39.73531 LONGITUDE: 110.59621							
RECEIVED AND/OR REVIEWED: Plat Bond: Fed[] Ind[] Sta[3] Fee[] (No. QLB 000 4156) N Potash (Y/N) N Oil Shale 190-5 (B) or 190-3 or 190-13 Water Permit (No. MUNICIPAL) RDCC Review (Y/N) (Date: 06/14/2003) Fee Surf Agreement (M/N)	R649-3-2. Siting: 460 1 R649-3-3. Drilling Un Board Caus Eff Date: Siting:	General From Qtr/Qtr & 920' Exception it	Between Wells					
STIPULATIONS: 1- Spacing Stip 2- production Casing Shoulder brought glove: 3- Statement of Basis		min. = 1300'-1	Drine Rue Tep)					











Well name: Operator:

J W Operating Company

String type:

Production

Project ID:

43-007-30924

Location:

Design parameters:

Carbon County

Minimum design factors: **Environment:**

1.80 (J)

Collapse Collapse: 9.000 ppg Mud weight:

Design is based on evacuated pipe.

Design factor 1.125 H2S considered?

No 65 °F Surface temperature:

Bottom hole temperature: 104 °F Temperature gradient: 1.40 °F/100ft

Minimum section length: 368 ft

Burst:

Design factor

1.00 Cement top: 1,939 ft

Burst

Max anticipated surface

pressure:

0 psi Internal gradient: 0.468 psi/ft Calculated BHP 1,309 psi

No backup mud specified.

Tension:

8 Round STC:

1.80 (J) 8 Round LTC: 1.60 (J) **Buttress:** Premium: 1.50 (J) Body yield: 1.50 (B)

Tension is based on air weight. Neutral point: 2,418 ft Non-directional string.

Run	Segment		Nominal		End	True Vert	Measured	Drift	Internal
Seq	Length (ft)	Size (in)	Weight (lbs/ft)	Grade	Finish	Depth (ft)	Depth (ft)	Diameter (in)	Capacity (ft³)
1	2800 /	5.5	17.00	N-80 /	LT&C /	2800	2800	4.767	96.5
Run	Collapse	Collapse	Collapse	Burst	Burst	Burst	Tension	Tension	Tension
Seq	Load	Strength	Design	Load	Strength	Design	Load	Strength	Design
	(psi)	(psi)	Factor	(psi)	(psi)	Factor	(Kips)	(Kips)	Factor
1	1309	6290	4.805	1309	7740	5.91	48	348	7.31 J
						-			-

Prepared

Clinton Dworshak

Utah Div. of Oil & Mining by:

Phone: 801.538.5280

FAX: 801.359.3940

Date: July 8,2003 Salt Lake City, Utah

ENGINEERING STIPULATIONS: NONE

Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Collapse is based on a vertical depth of 2800 ft, a mud weight of 9 ppg The casing is considered to be evacuated for collapse purposes. Burst strength is not adjusted for tension.



07-03 JW Op Soldier Creek 9-32

Operator:

J W Operating Company

String type:

Surface

Project ID:

43-007-30924

Location:

Carbon County

D	es	ign	parameters:

Collapse Mud weight:

8.400 ppg

Design is based on evacuated pipe.

Minimum design factors:

Collapse: Design factor

1.125

Environment:

H2S considered? Surface temperature: No 65 °F

Bottom hole temperature:

70 °F

Temperature gradient:

1.40 °F/100ft

Minimum section length:

300 ft

Burst:

Design factor

1.00

Cement top:

Surface /

Burst

Max anticipated surface

No backup mud specified.

pressure: Internal gradient: Calculated BHP

0 psi 0.468 psi/ft

164 psi

Tension:

8 Round STC: 8 Round LTC:

Buttress: Premium:

Body yield:

1.50 (J) 1.50 (B)

1.80 (J) 1.80 (J)

1.60 (J)

Tension is based on air weight. 306 ft Neutral point:

Non-directional string.

Re subsequent strings:

Fracture mud wt:

Injection pressure

Fracture depth:

Next setting depth: Next mud weight: Next setting BHP:

9.000 ppg 1,473 psi 19.250 ppg 500 ft

500 psi

3,150 ft

Run Nominal End True Vert Measured Drift Internal Segment Seq Length Size Weight Grade **Finish** Depth Depth Diameter Capacity (ft) (in) (ibs/ft) (ft) (ft) (in) (ft³) ST&C -24.00 ~ 350 -350 1 350 8.625 < K-55 / 7.972 16.9 Collapse Collapse Collapse **Tension Tension Tension** Run **Burst Burst** Burst Seq Load Strength Design Load Strength Design Load Strength Design (psi) (psi) **Factor** (psi) (psi) **Factor** (Kips) (Kips) **Factor** 1 153 1370 8.970 164 2950 18.03 263 31.31 J

Prepared

Clinton Dworshak

Utah Div. of Oil & Mining by:

Phone: 801.538.5280

FAX: 801.359.3940

Date: July 8,2003 Salt Lake City, Utah

ENGINEERING STIPULATIONS: NONE

Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Collapse is based on a vertical depth of 350 ft, a mud weight of 8.4 ppg The casing is considered to be evacuated for collapse purposes. Burst strength is not adjusted for tension.

DJ/ALW

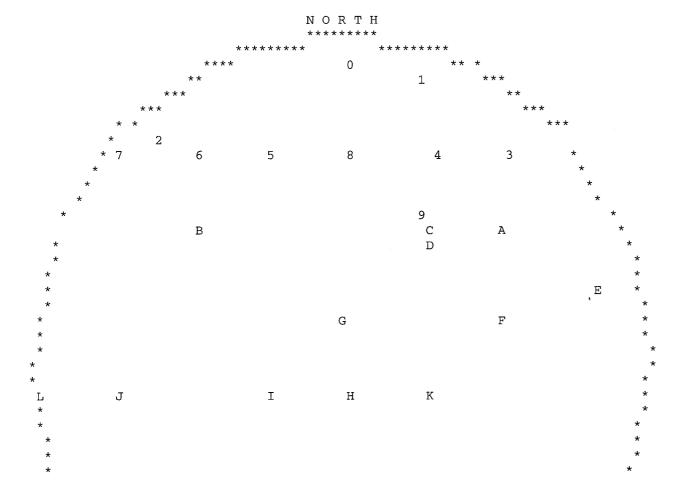
bc: GOPB

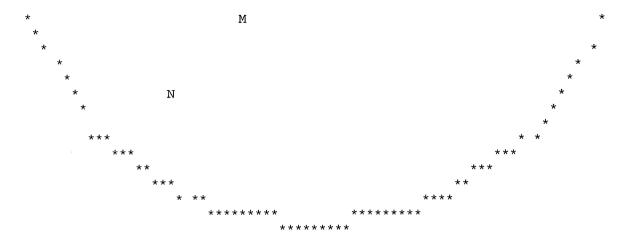
Habitat Section – Mike Canning DNR – Carolyn Wright DNR – Val Payne

UTAH DIVISION OF WATER RIGHTS WATER RIGHT POINT OF DIVERSION PLOT CREATED TUE, JUL 1, 2003, 4:21 PM PLOT SHOWS LOCATION OF 32 POINTS OF DIVERSION

PLOT OF AN AREA WITH A RADIUS OF 5280 FEET FROM A POINT S 1413 FEET, W 795 FEET OF THE NE CORNER, SECTION 32 TOWNSHIP 12S RANGE 12E SL BASE AND MERIDIAN

PLOT SCALE IS APPROXIMATELY 1 INCH = 2000 FEET





UTAH DIVISION OF WATER RIGHTS
NWPLAT POINT OF DIVERSION LOCATION PROGRAM

MAP CHAI	WATER	QUANTITY CFS AND/OR	AC-FT	SOURCE DIAMETE	DESCRIPTION or WELL ING		POI DRTH	EA:		VERSION C	ESCRIP	TION RNG B&M	U A N P N P
0	91 2073	.0110 WATER USE(S): Iriart, Bernard	.00	Unnamed	Spring Stream 503 East 1st North					PRIORITY Price		00/00/186	9 UT 8
1	91 5070	.2590 WATER USE(S): OTHER J-W Operating Company	188.00	7	3990 P O Box 226405	S	2036	E	535	NW 28 PRIORITY Dalla		12E SL 02/07/200	
2	t21359	.0000 WATER USE(S): OTHER Canyon Fuel Company LL		Soldier	Creek & Unnamed Tribut 6955 Union Park Cent				3900	SE 29 PRIORITY Midva			X 7 UT 8
3	91 5070	.2590 WATER USE(S): OTHER J-W Operating Company	188.00	6	3625 P O Box 226405	N	1982	E	2012	SW 28 PRIORITY Dalla		12E SL 02/07/200	

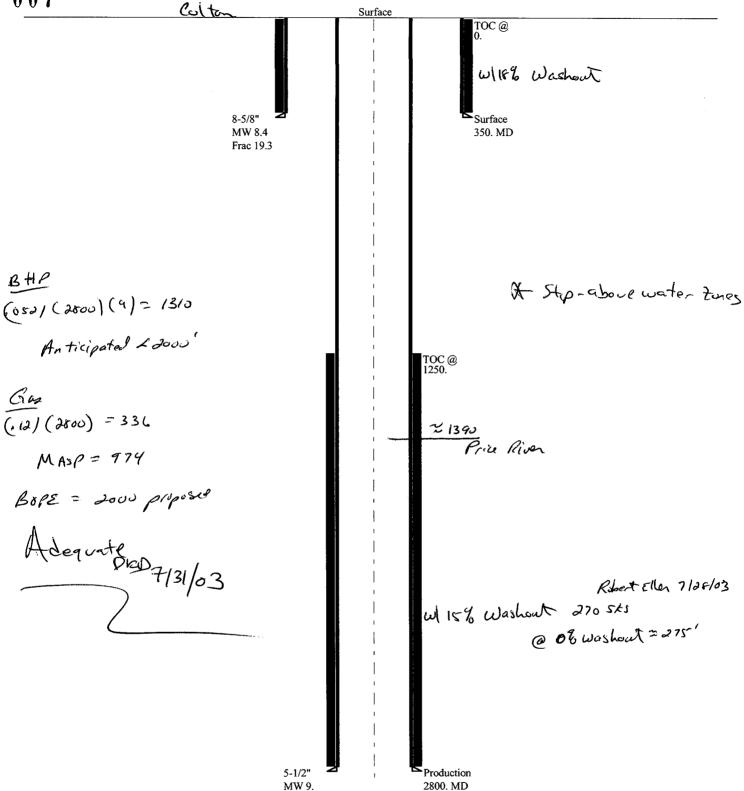
4	91 5070	.2590 WATER USE(S): OTHER J-W Operating Company			3413 P O Box 226405	N	1983	E	801	SW 28 12S PRIORITY DATE: Dallas	12E SL X 02/07/2003 TX 7
5	91 2075	.0110 WATER USE(S): Iriart, Bernard	.00	Unnamed S	Spring 503 East 1st North					PRIORITY DATE: Price	00/00/1869 UT 8
6	91 7076	.0000 WATER USE(S): Iriart, Bernard	.00	Trib. to	Soldier Creek					PRIORITY DATE:	00/00/1869 UT
6	91 7076	.0000 WATER USE(S): Iriart, Bernard	.00	Trib. to	Soldier Creek					PRIORITY DATE:	00/00/1869 UT
6	91 2076	.0000 WATER USE(S): Iriart, Bernard	.00	Stream	503 East 1st North					PRIORITY DATE: Price	00/00/1869 UT 8
6	91 2076	.0000 WATER USE(S): Iriart, Bernard	.00	Stream	503 East 1st North					PRIORITY DATE: Price	00/00/1869 UT 8
7	91 1364	.0000 WATER USE(S): Nelson, Lawrence C.	.00	Trib. to	Soldier Creek					PRIORITY DATE: Cleveland	00/00/1869 UT 8
7	91 1364	.0000 WATER USE(S): Nelson, Lawrence C.	.00	Trib. to	Soldier Creek					PRIORITY DATE: Cleveland	00/00/1869 UT 8
8	91 5070	.2590 WATER USE(S): OTHER J-W Operating Company			3540 P O Box 226405	N	1971	W	692	SE 29 12S PRIORITY DATE: Dallas	
9	91 4124	.1500 WATER USE(S): IRRIGAT Iriart, Bernard	.00		300 KWATERING 503 East 1st North	N	1000	E	550	SW 28 12S PRIORITY DATE: Price	12E SL X 06/12/1974 UT 8
A	91 2098	.0000 WATER USE(S): Iriart, Bernard	.00	Soldier (Creek 503 East 1st North					PRIORITY DATE: Price	00/00/1869 UT 8
A	91 2097	.0000 WATER USE(S):	.00	Unnamed S	Stream					PRIORITY DATE:	00/00/1869

											•	
		Iriart, Bernard			503 East 1st North					Price	רט	8 '
В	91 1365	.0000 WATER USE(S): Nelson, Lawrence C.	.00	Trib. to	Soldier Creek					PRIORITY DATE: Cleveland	00/00/1869 UT	' 8
В	91 1365	.0000 WATER USE(S): Nelson, Lawrence C.	.00	Trib. to	Soldier Creek					PRIORITY DATE: Cleveland	00/00/1869 UT	8
С	91 2097	.0000 WATER USE(S): Iriart, Bernard	.00	Unnamed	Stream 503 East 1st North					PRIORITY DATE: Price	00/00/1869 UT	8
С	91 2096	.0110 WATER USE(S): Iriart, Bernard	.00	Unnamed	Spring 503 East 1st North					PRIORITY DATE: Price	00/00/1902 UT	8
С	91 2095	.0000 WATER USE(S): Iriart, Bernard	.00	Unnamed	Stream 503 East 1st North					PRIORITY DATE: Price		8
Ď	91 5070	.2590 WATER USE(S): OTHER J-W Operating Company			3160 P O Box 226405	N	400	E	647	SW 28 12S PRIORITY DATE: Dallas		
E	91 522	.0220 WATER USE(S): STOCKWA Canyon Fuel Company I	ATERING		es Spring CityPlace One Suite	300				PRIORITY DATE: St. Louis		6
F	91 523	.0000 WATER USE(S): Canyon Fuel Company I			Creek CityPlace One Suite	300				PRIORITY DATE: St. Louis	00/00/1869 MO	
G	91 5070	.2590 WATER USE(S): OTHER J-W Operating Company			3075 P O Box 226405	S	707	W	742	NE 32 12S PRIORITY DATE: Dallas		
Н	91 2087	.0000 WATER USE(S): Iriart, Bernard	.00	Soldier	Creek 503 East 1st North					PRIORITY DATE: Price	00/00/1869 UT	8
I	91 2085	.0000 WATER USE(S): Iriart, Bernard	.00	Unnamed	Stream 503 East 1st North					PRIORITY DATE: Price	00/00/1869 UT	8
J	91 2086	.0000	.00	Unnamed	Stream							

WATER USE(S): Iriart, Bernard	503 East 1st North	PRIORITY DATE: 00/00/1902 Price UT 8
K 91 523 .0000 WATER USE(S): Canyon Fuel Company LLC	.00 Soldier Creek CityPlace One Suite 300	PRIORITY DATE: 00/00/1869 St. Louis MO 6
L 91 1360 .0000 WATER USE(S): Nelson, Lawrence C.	.00 Fork of Cottonwood Creek	PRIORITY DATE: 00/00/1869 Cleveland UT 8
M 91 2085 .0000 WATER USE(S): Iriart, Bernard	.00 Unnamed Stream 503 East 1st North	PRIORITY DATE: 00/00/1869 Price UT 8
N 91 2087 .0000 WATER USE(S): Iriart, Bernard	.00 Soldier Creek 503 East 1st North	PRIORITY DATE: 00/00/1869 Price UT 8



Casing Schematic



DIVISION OF OIL, GAS AND MINING APPLICATION FOR PERMIT TO DRILL STATEMENT OF BASIS

OPERATOR:	Phillips Petroleum Company
WELL NAME & NUMBER:	Soldier Creek State #9-32
API NUMBER:	43-007-30924
OCATION: 1/4 1/4 SENE Sec	2 32 TWP: 12S RNG: 12F 1/13' FNI 1/13' FFI

Geology/Ground Water:

A plugged and abandoned well exists near this location (~½ mile northeast). File documentation from that exploratory well (4300720253), which was drilled in 1967, documents several prolific fresh water bearing Formations including the North Horn and Price River Formations, which occur within 2,000' of the surface. Examination of the wireline logs from the nearby Soldier Creek 6-32 (4300730853) also indicate the high probability of encountering many permeable sandstones saturated with groundwater before the coalbed methane pay zone is penetrated. That well encountered water at 85' TD. A well drilled at this location will likely spud into a poorly to moderately permeable soil developed on the Tertiary/Cretaceous undivided Flagstaff/North Horn Formation. Many water rights have been filed on nearby water resources (including 6 shallow water wells) within a mile. Drainage is to the south into Soldier Creek, which eventually flows into the Price River. The proposed casing and cementing program and the freshwater/gel drilling fluid system should be sufficient protect the shallow ground water resource.

Reviewer: Christopher J. Kierst Date: 7/1/03

Surface:

The proposed location is on property owned by the Iriart Family located in the Whitmore Park area ~16.0 miles Northeast of Price, Utah. Soldier Creek, a year-round live water source lies East of the proposed location ~1800'. The terrain directly associated with this location drains to the North then East into Soldier Creek and eventually to the Price River. Dry washes run throughout the area. Precipitation will be deflected around the location with berms and culverts. Approximately 0.15 miles of new access is proposed for this well, extending from an existing JW Operating well. The site was photographed and characterized during pre-site inspection. Provision was made to ensure site rehabilitation, litter and waste control, preservation of drainage patterns and the integrity of local infrastructure, groundwater and other resources. The well utilities and gas gathering system will follow the approach roadway. Bernie Iriart and Gene Iriart, representing the Iriart Family, were in attendance at the on-site. Carbon County was invited and was in attendance for the on-site meeting for this well.

Reviewer: Mark L. Jones Date: June 9, 2003

Conditions of Approval/Application for Permit to Drill:

- 1. Culverts sufficient to manage expected runoff, standing and surface water in crossed drainages.
- 2. Berm location and pit.
- 3. Site infrastructure as per drilling location plat.
- 4. Fence all four sides of the pit.
- 5. A synthetic liner with a minimum thickness of 12 mils shall be properly installed and maintained in the reserve pit.



	ATOR: JW Operating	
WELL	NAME & NUMBER: Soldier Creek State #9-32	
API NU	JMBER: 43-007-30924	
LEASE	E: State FIELD/UNIT:	LOCATION: 1/4,1/4
	Sec: <u>32</u> TWP: <u>12S</u> RNG: <u>12E</u> <u>1413'</u> F <u>N</u> L <u>1413'</u> F <u>E</u> L	
	L WELL SITING: <u>460 F SEC. LINE; 460 F 1/4,1/4 LINE; 920 F ANOTHER</u>	
GPS C	COORD (UTM): X =534601 E; Y = 4398248 N SURFACE OWNER: Iriart Fa	<u>amily</u>
	CIPANTS	
	M. Jones (DOGM), Ron Lingel (JWO), D. Hamilton (Talon), Bernie Iriart and	<u>Gene Iriart (surface),</u>
	Rex Sacco and Gayla Williams (Carbon County).	
DECIC	NAL /LOCAL CETTING & TODOGRAPHY	
REGIC	NAL/LOCAL SETTING & TOPOGRAPHY	
	The proposed location is on property owned by the Iriart Family located in the	Whitmore Park area
	~16.0 miles Northeast of Price, Utah. Soldier Creek, a year-round live water	
	the proposed location ~1000'. The terrain directly associated with this location	
	then East into Soldier Creek and eventually to the Price River.	or drains to the North
	The Page 11 to Column Crook and Overhaumy to the 1 1100 1 tivel.	
SURF	ACE USE PLAN	
	CURRENT SURFACE USE: Grazing and wildlife habitat.	
	PROPOSED SURFACE DISTURBANCE: 174' X 290' and an 50	X 80 X 10 pit.
	Approximately 0.15 miles of new access is proposed for this well, extending	from an existing JW
	Operating well.	
	LOCATION OF EXISTING WELLS WITHIN A 1 MILE RADIUS: 2 proposed	
	wells, and 1 PA well exist within a 1 mile radius of the above proposed well	. Also 1 fresh water
	well/spring.	
	LOCATION OF PRODUCTION FACILITIES AND PIPELINES: Along the ro	adway
	LOCATION OF PRODUCTION FACILITIES AND PIPELINES. Along the re	auway.
	SOURCE OF CONSTRUCTION MATERIAL: Obtained locally and transport	ted in
	SOUNCE OF CONSTITUTION WATERIAL. Obtained locally and transpor	tod III.
	ANCILLARY FACILITIES: N/A	
	ANOTED WAT I MOIEITIEO, IWA	

WASTE MANAGEMENT PLAN:

Portable chemical toilets which will be emptied into the municipal waste treatment system; garbage cans on location will be emptied into centralized dumpsters which will be emptied into an approved landfill. Crude oil production is unlikely. Drilling fluid, completion / frac fluid and cuttings will be buried in the pit after evaporation and slashing the pit liner. Produced water will be gathered to the evaporation pit and eventually injected into the approved injection zone via a salt water disposal well. Used oil from drilling operations and support is hauled to a used oil recycler and reused.

ENVIRONMENTAL PARAMETERS

AFFECTED FLOODPLAINS AND/OR WETLANDS: None.
FLORA/FAUNA: Mountain Mahogany, Sagebrush, native grasses, rabbit brush, elk, deer, coyote, various fowl and small game.
SOIL TYPE AND CHARACTERISTICS: Sandy clay loam.
SURFACE FORMATION & CHARACTERISTICS:
EROSION/SEDIMENTATION/STABILITY: <u>Erosive on disturbance</u> .
PALEONTOLOGICAL POTENTIAL: N/A
RESERVE PIT
CHARACTERISTICS: Dugout earthen pit. (As per APD.)
LINER REQUIREMENTS (Site Ranking Form attached): Synthetic liner required.
SURFACE RESTORATION/RECLAMATION PLAN
As per surface use agreement.
SURFACE AGREEMENT: Surface use agreement has been signed.
CULTURAL RESOURCES/ARCHAEOLOGY: Completed, pending report.
OTHER OBSERVATIONS/COMMENTS
ATTACHMENTS
Photos of this location were taken and placed on file.
Mark L. Jones 6/06/2003 / 5:00 pm DOGM REPRESENTATIVE DATE/TIME



Site-Specific Factors	Ranking	Site Ranking
Distance to Groundwater (feet) >200 100 to 200 75 to 100 25 to 75	0 5 10 15	0
<25 or recharge area	20	
Distance to Surf. Water (feet) >1000 300 to 1000 200 to 300 100 to 200 < 100	0 2 10 15 20	0
Distance to Nearest Municipal Well (feet) >5280 1320 to 5280 500 to 1320 <500	0 5 10 20	0
Distance to Other Wells (feet) >1320 300 to 1320 <300	0 10 20	0
Native Soil Type Low permeability Mod. permeability High permeability	0 10 20	10
Fluid Type Air/mist Fresh Water TDS >5000 and <10000 TDS >10000 or Oil Base Mud Fluid containing significant levels of hazardous constituents	0 5 10 15	<u>10</u>
Drill Cuttings Normal Rock Salt or detrimental	0 10	0
Annual Precipitation (inches) <10 10 to 20 >20	0 5 10	10
Affected Populations <10 10 to 30 30 to 50 >50	0 6 8 10	_0
Presence of Nearby Utility Conduits Not Present Unknown Present	0 10 15	0

Final Score 30 (Level 1 Sensitivity)

Sensitivity Level I = 20 or more; total containment is required.

Sensitivity Level II = 15-19; lining is discretionary.

Sensitivity Level III = below 15; no specific lining is required.

006

From:

Steven Parkin

To: Date: Diana Mason 6/9/03 11:39AM

Subject:

Response to Proposed Wildcat Drilling at Soldier Creek #9-32

Diana,

Regarding RDCC #2940, the following language applies. Please give this language to those advancing the drilling work.

The proposed well drilling project, Soldier Creek State #9-32, Carbon County, may require a permit, known as an Approval Order, from the Utah Division of Air Quality if any compressor stations are operating at the site. A permit application, known as a Notice of Intent (NOI), should be submitted to the Executive Secretary at the Utah Division of Air Quality at 150 N. 1950 West, SLC, UT, 84116 for review according to the Utah Air Conservation Rule R307-400, Permits, Notice of Intent and Approval Order. A copy of the rules are found at www.rules.utah.gov/publicat/code/r307/r307.htm.

If you have questions, please reply to this email or call me at 801-536-4014.

Steven Parkin, engineer Utah Division Of Air Quality

From:

Ed Bonner

To:

Mason, Diana

Date:

6/18/03 1:57PM

Subject:

Well Clearences

The following wells have been given cultural resource clearence by the Trust Lands Cultural Resources Group:

J-W Operating Company

Soldier Creek State 9-32

Soldier Creek State 10-32

Soldier Creek State 11-32

If you have any questions regarding this matter please give me a call.

CC:

Baza, John; Garrison, LaVonne; Hunt, Gil



Michael O. Leavitt
Governor
Robert L. Morgan
Executive Director
Kevin Conway
Division Director

Southeastern Region 475 West Price River Drive, Suite C Price, Utah 84501-2860 (435) 636-0260 telephone (435) 637-7361 fax www.nr.utah.gov

13 June 2003

Ms. Diana Mason Division of Oil, Gas, and Mining 1594 West North Temple, Suite 1210 P.O. Box 145801 Salt Lake City, UT 84114-5801

Subject: RDCC Project #2940, J-W Company, Soldier Creek State #9-32

Dear Ms. Mason:

The Utah Division of Wildlife Resources has reviewed the subject document, and we provide the following comments:

We are concerned that the footprint and activity associated with these wells will result in negative impacts to summer and transitional ranges for elk and mule deer. The two major negative impacts will be 1) the habitat destroyed by the footprint of roads and well pads and 2) disturbance due to construction and increased public travel on new and/or upgraded roads.

Mitigation for big game impacts should be accomplished by minimizing length and connectivity of new roads and by orienting well pads to avoid impacts to valuable microhabitats. Inclusion of UDWR personnel in the onsite inspection of the proposed roads and drill site will allow us to make specific comments on the project design. Because of the increasing amount of gas exploration in this area we feel acre per acre habitat improvement is appropriate to mitigate for impacts to big game and other wildlife. Projects that reduce pinyon/juniper incursion into sagebrush or set mature pinyon/juniper stands back to earlier successional stages with more wildlife food are examples of habitat improvements that would be useful in this area. Needs for such projects include: archaeological clearances, equipment time, and seeding.

Thank you for the opportunity to review this proposed action and provide comment. If you have any questions, please call Tony Wright, Oil and Gas Mitigation Biologist, at our Price office (435) 636-0267.

Sincerel

Derris Jones

Regional Supervisor

RECEIVED

JUN 2 0 2003

DIV. OF OIL, GAS & MINING





J-W OPERATING COMPANY

4990 Miller Street, Wheatridge CO 80033 PO Box 1148, Wheatridge CO 80034 Office: 303/422-4990 Fax: 720/898-0397 Email: ginnyburchard@gwest.net

March 25, 2002

Iriart Family Limited Partnership Attn: Louise L. Iriart, General Partner PO Box 293 Price. UT 84501

Re:

Surface Use Agreement

Dated June 18, 2001 Carbon County, UT

Dear Mrs. Iriart,

Reference is made to the captioned Surface Use Agreement, copy of which is attached hereto as Exhibit "A". It has been brought to our attention that the Iriart Family Limited Partnership also owns the surface on the following lands, which are not described on the Surface Use Agreement:

TOWNSHIP 12 SOUTH, RANGE 12 EAST, SLM

SECTION 19: LOT 4, aka SWSW

SECTION 20: E/2E/2, NWNE

SECTION 32: NW, NENE, S/2NE, S/2

TOWNSHIP 12 SOUTH, RANGE 11 EAST, SLM

SECTION 13: SWSW

By this letter J-W Operating Company and the Iriart Family Limited Partnership desire to amend the Surface Use Agreement to include the above described Lands as though they were originally described therein. All other terms and conditions of the Surface Use Agreement to remain as written.

Please indicate your acceptance and approval by signing below and returning one original to J-W Operating Company, PO Box 1148, Wheat Ridge, CO 80034.

Very truly yours,

J-W OPERATING COMPANY

Gin Burchard

Landman

ACCEPTED AND APPROVED this ______ day of ______, 2002

IRIART FAMILY PARTNERSHIP, LANDOWNER

matti Americali (Calebonie)

Louise L. Iriart, General Partner

RECEIVED

JUL 0 1 2003

DIV. OF OIL, GAS & MINING

G:\Soldier Creek\triant SUA Amendment 03-25-02.doc



Michael O. Leavitt Governor Kathleen Clarke Executive Director Lowell P. Braxton Division Director 1594 West North Temple, Suite 1210 PO Box 145801 Salt Lake City, Utah 84114-5801 801-538-5340 801-359-3940 (Fax) 801-538-7223 (TDD)

August 4, 2003

J-W Operating Company P O Box 305 Wray, CO 80758

Re:

Soldier Creek State 9-32 Well, 1413' FNL, 795' FEL, SE NE, Sec. 32, T. 12 South,

R. 12 East, Carbon County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann.§ 40-6-1 et seq., Utah Administrative Code R649-3-1 et seq., and the attached Conditions of Approval, approval to drill the referenced well is granted.

Appropriate information has been submitted to DOGM and administrative approval of the requested exception location is hereby granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-007-30924.

Sincerely,

John R. Baza

Associate Director

pab Enclosures

cc:

Carbon County Assessor

SITLA

Operator:		J-W Operating Company					
Well Name & Number		Soldier Creek State 9-32					
API Number:		43-007-30924					
Lease:		ML-48131					
	•						
Location: SE NE	Sec. 32	T. 12 South	R. 12 East				

Conditions of Approval

1. General

Compliance with the requirements of Utah Admin. R. 649-1 et seq., the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

2. Notification Requirements

The operator is required to notify the Division of Oil, Gas and Mining of the following actions during drilling of this well:

- 24 hours prior to cementing or testing casing
- 24 hours prior to testing blowout prevention equipment
- 24 hours prior to spudding the well
- within 24 hours of any emergency changes made to the approved drilling program
- prior to commencing operations to plug and abandon the well

The following are Division of Oil, Gas and Mining contacts and their work telephone numbers (please leave a voice mail message if the person is not available to take the call):

- Dan Jarvis at (801) 538-5338
- Carol Daniels at (801) 538-5284 (spud)

3. Reporting Requirements

All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

- 4. Compliance with the State of Utah Antiquities Act forbids disturbance of archeological, historical, or paleontological remains. Should archeological, historical or paleontological remains be encountered during your operations, you are required to immediately suspend all operations and immediately inform the Trust Lands Administration and the Division of State History of the discovery of such remains.
- 5. Compliance with the Conditions of Approval/Application for Permit to Drill outlined in the Statement of Basis. (Copy Attached)
- 6. Operator shall comply with applicable recommendations resulting from Resource Development Coordinating Committee review. Statements attached.

Page 2 Conditions of Approval API #43-007-30924 August 4, 2003

- 7. This proposed well is located in an area for which drilling units (well spacing patterns) have not been established through an order of the Board of Oil, Gas and Mining (the "Board"). In order to avoid the possibility of waste or injury to correlative rights, the operator is requested, once the well has been drilled, completed, and has produced, to analyze geological and engineering data generated therefrom, as well as any similar data from surrounding areas if available. As soon as is practicable after completion of its analysis, and if the analysis suggests an area larger than the quarter-quarter section upon which the well is located is being drained, the operator is requested to seek an appropriate order from the Board establishing drilling and spacing units in conformance with such analysis by filing a Request for Agency Action with the Board.
- 8. Production casing cement shall be brought above all water zones (minimum ±1300'-Price River Top).



Michael O. Leavitt
Governor
Robert L. Morgan
Executive Director
Lowell P. Braxton
Division Director

Michael O. Leavitt
Governor
(801) 538-5340 t
(801) 538-7223 www.nr.utah.gov

1594 West North Temple, Suite 1210 PO Box 145801 Salt Lake City, Utah 84114-5801 (801) 538-5340 telephone (801) 359-3940 fax (801) 538-7223 TTY

September 10, 2003

Don Hamilton J-W Operating Company P.O. Box 1230 Huntington, UT 84528

Re:

APD Rescinded - Soldier Creek State 9-32, Sec. 32, T. 12S, R. 12E,

Carbon County, Utah API No. 43-007-30924

Dear Mr. Hamilton:

The Application for Permit to Drill (APD) for the subject well was approved by the Division of Oil, Gas and Mining (Division) on August 4, 2003. On September 9, 2003, you requested that the division rescind the approved APD. No drilling activity at this location has been reported to the division. Therefore, approval to drill the well is hereby rescinded, effective September 9, 2003.

A new APD must be filed with this office for approval <u>prior</u> to the commencement of any future work on the subject location.

If any previously unreported operations have been performed on this well location, it is imperative that you notify the Division immediately.

Sincerely,

Diana Masor

Engineering Technician

cc: Well File

Gil Hunt, Technical Services Manager

Utah!